

Minutes
Health Care Task Force
September 24, 2007
9:30 A.M.
J.R. Williams Bldg., East Conference Room

The meeting was called to order at 9:35 a.m. by Cochairman Senator Dean Cameron. Other members present included Cochairman Representative Gary Collins, Senator Joe Stegner, Senator Patti Anne Lodge, Senator Tim Corder, Senator John McGee, Senator Elliot Werk, Representative Sharon Block, Representative Carlos Bilbao, Representative Fred Wood, Representative Jim Marriott, Representative Margaret Henbest and Representative John Rusche. Senator John Goedde was absent and excused. Legislative Services Office staff present were Eric Milstead and Toni Hobbs.

Others present at the meeting were Benjamin Davenport, Evans Keane; Tim S. Olson and Therese Bishop, Regence/Blue Shield; Chris Pickford, Boise Schools; Steve Tobiason, Idaho Association of Health Plans/American Health Insurance Plans/Idaho Association of Health Underwriters; Jim Warren, Midvale School District; Robert L. Seaman and Wiley Dobbs, Twin Falls School District #411; Robin Nettinga and Jim Shackelford, Idaho Education Association; Mike Friend, Idaho School District Council; Cliff Green and Teresa Molitor, Idaho School Boards Association; Mary Lou Kinney, Cover ID Kids/MSG, Inc.; Woody Richards, Blue Cross; Blas Telleria, Boise Schools; Amy Lorenzo, Office of Performance Evaluations; Kathie Garrett, Partners in Crises Idaho; Scott Rogers, Minidoka School District #331; Decker Sanders, State Board of Education; and Anne Retter, Joint School District #2.

After opening remarks from Cochairman Senator Cameron, Representative Wood moved that the minutes from the last meeting be approved as written. Representative Rusche seconded and the minutes were approved unanimously by voice vote.

Senator Cameron explained that today's meeting would contain an overview of issues regarding health insurance and how it affects school districts and teachers. He commented that some of this stemmed from a JFAC tour that heard how hard it was for school districts in North Idaho to afford health insurance increases. He noted that a rumor regarding the state pool being in bad shape and trying to pull school teachers into it was not true. He said the state pool is in good shape overall. He said the task force is simply interested in figuring out ways to help school districts address the issue of health care costs.

Dr. Mike Friend, Executive Director, Idaho School District Council was the first speaker. He explained that the Idaho School District Council was formed by the Legislature in 1972 as a

cooperative service agency. The Council is empowered to enter into contracts on behalf of one or more school districts to provide a variety of programs, not specified in statute. He said that insurance came to the forefront of issues. The Council is governed by a board of nine members. There are three school districts that do not belong to the Council; Three Creek, Mountain Home and the former Grangeville school district. The Council represents 111 school districts, 22 charter schools, one parochial school and five affiliate groups.

Dr. Friend identified the following five issues related to health insurance and school districts.

1. Maintain high quality benefits and coverage to employees.

2. Extend coverage to the uninsured spouses and dependants of school district employees.

He noted that limited benefit programs have been offered to employees due to the high cost of family coverage. The Council has worked with Blue Cross to develop a program called “Latitude” that is being looked at for approval. The program will be offered at reduced costs with decent benefits.

3. Access to medical providers.

Dr. Friend explained that there are certain pockets in the state that do not have approved providers.

4. The impact of premium increases on school districts.

5. The impact of master contracts in negotiations on the health insurance benefits for district personnel.

Dr. Friend said that the concept of pooling districts is the center of the statewide insurance program. When the agreement was established with Blue Cross of Idaho, the pooling resulted in a shared risk and a “shared profit.” He went on to say that the education community or that block of business are historically very high utilizers of their medical insurance. The Council negotiated a way to spread claims of \$25,000 or more over the pool in order to avoid the impact of large claims on small districts.

Dr. Friend defined “shared profit” as the amount of dollars collected in premiums versus the number of dollars paid out in claims. The Council has entered into an agreement that sets this at a 91% target loss ratio for the Council and the provider. That means a 9% administrative fee and 1.5% of that goes for the insurance premium. This provides a very low-cost administrative fee for the districts. The surplus premium agreement over the last four to five years has allowed the Council to provide rebates/refunds up to \$200 per contract. He explained that if this rebate was computed to the average rate increase, it would be a 3% reduction on the increase. This amounts to about \$3 million that will be returned to school districts this year. In **Dr. Friend’s** opinion, the Council has negotiated a plan that is favorable to districts as well as to the provider.

He went on to say that in 1999 a tiered program was implemented. This takes participating

members in the insurance pool and tiers them based on experience and insurance trend. Each district is rated on a three year average and pooled. He said the districts get utilization reports regularly from Blue Cross and he gets monthly reports. The tiers are as follows:

- The first tier represents 42 districts that have the most utilization and received the highest increase at 18.7% this year.
- The second tier represents 46 districts at a 15.5% increase
- The third tier representing 36 districts received a 12.2% increase.

He said there has been discussion that perhaps now is the time to do away with pooling because doing so would have made increases about 15% across the board.

For historical purposes, **Dr. Friend** explained that in 1999 the districts experienced huge increases due to the fact that prior to 1999, they had reserves and were able to help pay down or buy down the increases. Those reserves were used up by 1999 and some districts received increases of up to 50% in the upper tier. Since that time increases have ranged in the double digits except in 2004 and in 2006, when the top increase was only 4.9%.

Dr. Friend is responsible to find ways to help districts manage increases. He explained that there is a district insurance matrix that contains hundreds of different options for creating an insurance program. They offer a traditional program, a PPO, a PSO, a Health Savings Account Program and many varieties of deductibles, pharmaceutical coverage and copays.

He said there are also districts that, in addition to the matrix of offerings, negotiate their own ways of dealing with deductibles. On paper, deductibles range from \$100 to \$3,000. Some districts buy down the deductibles. He said it is important to note that the Council does not enter into contracts on behalf of individual school districts, they enter into the contract that sets the basic parameters of the program and a contract that deals with the surplus premium agreement. The matrix is approved by the Council's board as part of the contract. **Dr. Friend** explained that each district, as they design their program, enters into a contract directly with Blue Cross for their program.

Dr. Friend went on to say that there are basically five ways for districts to handle new increases.

1. Pick up increases and leave coverage/benefits as they are.
2. Share increases with employees.
3. Reduce benefits.
4. Defined contribution programs.
5. A combination of these four.

Dr. Friend said that the Council has embarked on a study of the statewide program using out of state actuaries and consultants. The study is looking at the following:

- An analysis of the current health program and current benefit plan design.
- Claims cost analysis. (This will include both a trend analysis and a renewal adequacy test.)
- Funding arrangement in terms of administrative costs.

- A rating methodology analysis.
- Wellness programs.

Representative Rusche asked how many members and contracts are in the pool. **Dr. Friend** said there are 17,730 contracts or total number of people served.

Representative Rusche said the Task Force has heard from small employers that while they offer insurance for employees, many family members are often not covered and asked how that works for school districts. **Dr. Friend** said the Office of Performance Evaluations (OPE) is trying to define that number. He said they do know that in many districts with classified employees, there is a good number of spouses and/or children that are not covered. It is hoped that the Latitude Program will be able to help this situation.

Representative Henbest asked how many total school employees across the state have insurance coverage through their school districts. **Dr. Friend** said about 50%.

In response to another question from **Representative Henbest**, **Dr. Friend** explained that the Latitude Program, rather than a group policy, is comprised of individual policies that are individually rated. He said employees could opt in to buying this with a \$250 deductible and a \$1 million maximum for spouses or families with premiums ranging from \$50 to \$150 per month. **Representative Henbest** asked why is this less expensive than just buying from an agent. **Dr. Friend** said that Latitude was originally offered to address college student coverage. He said he could not address how the costs are figured. **Senator Cameron** asked how the loss ratio would affect individual districts if spouses signed on to Latitude. **Dr. Friend** said it would have no effect at all because it is separate from the pool. **Senator Cameron** said it would seem that such a plan would attract more unhealthy members and would have a higher loss ratio than normal. **Dr. Friend** said they are trying to help lower wage earners get insurance coverage.

Representative Henbest asked whether the Council goes out for bid every year for a provider or carrier. **Dr. Friend** said they have not gone out for bid and have had a business relationship with Blue Cross since they were formed.

Dr. Friend explained that the school district provides health insurance for anyone that works 20 hours or more.

Representative Marriott asked whether the Latitude Program benefits are different than the benefits offered by the school districts and whether it is gender premium. **Dr. Friend** said there is a gender premium and the benefits are different than school district benefits. He said he is not sure of the difference between male and female rates. **Senator Cameron** asked whether people in this program go through normal individual underwriting just as if they were buying a product on the street. **Dr. Friend** said that was correct, their premium rates may start low and can be moved up with utilization.

In response to a question from **Representative Rusche**, regarding refunds, **Dr. Friend** explained that premium refunds are shared by contract and are for the employees covered but are paid back to the districts. He said the money is used differently per district. It goes to the general fund for the district and in some cases it is shared with employees.

Senator Werk asked **Dr. Friend** what the future holds. **Dr. Friend** said he sees more of a partnership between employees and employers with significantly different programs and more emphasis on wellness. He noted that the catastrophic side of health care will still need to be addressed. He said he does not see a pretty picture. In response to another question from **Senator Werk**, **Dr. Friend** said he does not believe a train wreck is coming. He said it is a question of what school districts, as well as what the state, can do. He said the answer becomes more of a collective approach. He commented that HSAs are becoming more popular in some areas but noted that some school districts have offered them and only 5 people out of 97 school districts have signed up.

Representative Bilbao asked whether insurance is offered to retired employees through the school districts. **Dr. Friend** explained that there are two retiree programs. Before age 65 there is an option to continue in the program offered by the district from which the employee retired and to use unused sick leave to pay premiums. Once the sick leave runs out, the retiree pays out of pocket. Once a retiree reaches age 65, they become part of the statewide retiree pool and it is a supplement to Medicare. He noted that this group has had 0% increases in the last two years.

Senator Cameron asked if the retiree plan affects the loss ratio of the district. **Dr. Friend** said the retiree plan for those over age 65 does not, it is calculated separately.

Representative Collins asked why the Council has never gone out for bid. **Dr. Friend** said he could not speak to the reason why. In his opinion, the relationship with Blue Cross has been beneficial to employees. He said currently there are some questions and they are looking into other possible options by doing the study. **Representative Collins** asked whether these other options would be looked at in the near future. He said the hope of the Task Force is that competition helps control rate increases. **Dr. Friend** said the agreement for the study was signed on August 29, 2007 and the results will be delivered on November 15, 2007.

Representative Wood cautioned, as the study goes forward, that they keep in mind what drives cost of health care not health insurance. In his opinion, school districts have prepaid health care not so much health insurance and that utilization drives the costs of health care. According to **Representative Wood** the most expensive health care is free health care and the least expensive is when the employee/person has to take responsibility for their own health care. He said they need to look at ways to control utilization.

Representative Henbest said a few years ago she sponsored legislation that would pool all state entities in with state employees including school districts. She noted that the Council was not happy with it. She asked why this type of pooling would not provide savings. **Dr. Friend** said the school districts are already a pool and they recognize as participants in a pool there are

savings because it reduces risk. They want to bring the best risks into the pool because that will keep utilization low.

In response to a question from **Representative Marriott**, **Dr. Friend** explained that the Council is funded by membership fees paid by school districts.

Senator Cameron said it was his hope that after the study is completed the Council would be willing to come back to another meeting. He also asked for a copy of the district insurance matrix.

Senator Cameron commented that Blue Cross may be doing a good job but his experience is that it is helpful to go out for bid. He said that Representative Henbest's previous legislation raised the issue of managing adverse selection and asked whether that is part of the study. **Dr. Friend** said it is part of the study but that he does not know what they are doing.

Senator Cameron asked, rather than have individual school district contracts, whether they have considered allowing individual teachers to have a choice of plans and a requirement that all teachers participate in the statewide pool. **Dr. Friend** said that concept has not been discussed. **Senator Cameron** said, in his opinion, allowing districts to opt in or out will cost the other districts money in the long run. He added that in bidding out the contract, knowing that the contract would include all school districts would help drive costs down.

The next part of the meeting consisted of a panel from the public school districts to discuss health insurance issues. The members of the panel included:

Dr. Scott Rogers, Superintendent, Minidoka School District

Blas Telleria, Human Resource Director, Boise School District

James Warren, Superintendent, Midvale School District

Dr. Wiley Dobbs, Superintendent, Twin Falls School District

Dr. Scott Rogers

He said when he was asked to speak to the Task Force, he conducted an informal survey of the superintendents and asked the Minidoka County Education Association to send an E-mail asking for stories of how members have been impacted by health insurance issues over the last few years.

Dr. Rogers said that when he started as a superintendent, his predecessor told him insurance was a mess. This was in Butte County and they had moved off of the state pool. After a 49% increase, the school district tried to get back on the state pool and was denied even after the two year waiting period. He said it took about 3 more years to get back in because they were told they were a poor risk. He commended the Task Force for asking these tough questions and said they ask their teachers the same questions during negotiations and in setting the school budgets.

Dr. Rogers said that the Minidoka School District has about 500 employees and less than 5% choose to cover their families. In his opinion, this is alarming. Many new teachers simply cannot afford it. He said they have one employee that works 20 hours a week and after paying insurance, their net paycheck is only about \$25.00.

Dr. Rogers said this does make recruitment and retention of employees difficult. In the region, many teachers that graduate from Idaho universities leave the state due to better benefit packages. He said that an analysis of costs per employee for each district would be helpful.

In his opinion, wellness is the risk management program for health insurance providers similar to risk management for worker's compensation issues. Minidoka has had a wellness plan in effect for two years and is trying to incentivize teachers with discretionary money to be more active. He noted that Minidoka has historically been rated in the highest tier and was lowered to the middle tier in the last year. It is his hope this is related to the wellness program.

Mr. Blas Telleria

He stated that he does not believe the insurance issues of the private sector and the public sector are that dissimilar. They have different revenue streams and perhaps different missions but both are worried about absenteeism, productivity, increase in diseases such as diabetes and cardiovascular issues, workplace injuries as well as access to health care. There are also the questions of cost shifting versus plan design.

Mr. Telleria said that the Boise Schools have been very fortunate over the past three years. The district has been able to slightly reduce the premium or hold it. He explained that for the past twenty years, the district has had a joint insurance committee. This committee was empowered to study insurance policies and to help develop insurance literacy to help guide decisions for the school district and help guide costs and methods of payment for insurance. This committee expects voluntary ten year membership and attends training to learn as much as possible about insurance and it has long-term strategies.

He went on to say the district has a good relationship with their plan administrator, Regence/Blue Shield. This relationship allows them to get data needed to make good decisions.

Mr. Telleria commented that their philosophy is to work on what is within their control. One of these things is insurance literacy. The district wants all employees to ask the proper questions when visiting their health care providers. They emphasize it is not the district's money, it is the employee's money. Everyone needs to be aware of that. Just because, in theory, there is a third party payer, the employee needs to be responsible for how that money is spent. The district also "medicates well." He explained that this means employees under a doctor's care are encouraged to follow through with that doctor's instructions. Annual screenings are also offered and encouraged in order to make employees aware of health issues and encourage them to take care of any problems that occur.

Mr. Telleria said that the Boise Schools only have one health plan in order to address the question of adverse selection. He said that access to great hospitals and physicians has also allowed them to keep costs down. He noted that this could be a disadvantage to colleagues in smaller districts.

The Boise Schools are also initiating a wellness program. He applauded Minidoka County for their wellness plan. He said in initiating the wellness program they have learned that the cost of doing nothing may be greater than all other things that will be faced.

Mr. Telleria went on to discuss how health insurance impacts school districts in general. He noted that health care costs compete with all other programs; salary, transportation, utilities and maintenance. It is an economic opportunity cost. He added that health insurance costs also have an indirect influence on curriculum because teachers need to be retained to provide quality education to the children.

Mr. Telleria commented that this profession includes many low wage earners who are always at risk of bankruptcy resulting from a catastrophic illness, they have no family coverage. Insurance needs to be made affordable to these people.

In negotiation surveys health concerns seem to be the number one concern when it comes to the money being appropriated by the Legislature. He said that salary seems to have taken a second seat to health concerns.

He went on to list the following challenges:

- Governance of the plan

This means who looks out for the health of the health plan. It is very difficult to look at all of the different options available and decide what is good and what is healthy. He said that having the stakeholders at the table, to look at the health plans might be a good start.

- Mental health parity

Mr. Telleria said it is his understanding that the federal government is going to mandate that and that will raise insurance costs 1% to 4%.

- Biotech and drugs

He said of all of the issues that threaten health plans, biotech and drugs are the most threatening. They do wonders but they are super expensive. He said they have yet to find any plans that exist that have good biotech coverage and benefits. If a solution is not found, there is a very real threat that many plans will be bankrupted.

- Increasing medical interventions

This is the ability to treat diseases earlier and to better detect cancers and other diseases earlier. This is good but it will increase costs.

- Lifestyle choices

Mr. Telleria posed the question “As a plan member, do I have to continue to pay for another person’s unhealthy lifestyle choices?” He said that is an interesting philosophical question. Many big corporations are beginning to ask these questions. At what point should this person

who makes unhealthy choices have to pay more?

Mr. James Warren

He represents a very small school district with only sixteen certified staff members. In his opinion, health insurance issues have the same effect in both large and small districts. He distributed a handout showing costs and percentage increases over the last five years. This is available from the Legislative Services Office. In his opinion a train wreck is coming and they have simply been trying to slow it down.

Mr. Warren said that ten years ago the Midvale school district offered complete coverage for the employee and their family. Once salary distribution changed and fewer dollars were available for health insurance, the district negotiated and began paying a specific dollar amount per employee for health insurance. He said currently the district pays \$330 per month per employee. Deductibles have gone from \$500 to \$1,500. He noted that unit funding costs have also affected general fund money that is available to purchase health insurance for employees.

Dr. Wiley Dobbs

He commented that the Twin Falls School District is in its third year of a wellness program and they spend about \$2,500 per year on that. He noted that they have been able to get donations for incentives and/or prizes to keep people involved and participation has improved dramatically. In his opinion this shows that wellness programs do not need to cost a lot. He added that it will be interesting to see if health care utilization goes down and if that is a result of the wellness program.

He read from an article from Pennsylvania that included a proposal to go with one health care plan for all school districts. He said he was not advocating this but he is gathering information and thought perhaps the state can learn from this.

Dr. Dobbs commented that discretionary funding is not that discretionary anymore. In Twin Falls, all but \$4,300 was already committed when their budget was done. The district received a 15% increase (\$450,000) in insurance costs. This had to be carved out of other areas.

He noted that in 24 years as a superintendent in Twin Falls, they have never had difficulty hiring elementary teachers. This year they were unable to find two replacement teachers for teachers that had retired. They ended up hiring intern (student) teachers who work with mentor teachers to cover these classes. Recruiting is an issue. While looking at cutting costs and saving money, in his opinion, it is important to realize that Idaho is competing for teachers. **Dr. Dobbs** said there is a new teacher in their district that makes the minimum salary of \$31,000 and has a wife and two children. To cover his family, it would cost him an additional \$700 per month and he cannot afford that. He said there needs to be a way to balance cutting costs with still being able to have benefits that will attract quality teachers.

Representative Block asked whether school districts throughout the state are paying more

attention to wellness and whether the insurance industry is focusing on this as well. **Dr. Dobbs** noted that he did not know that Minidoka had a wellness plan until earlier this year. He said he did not know how many districts in the state have wellness program. He said it would also be interesting to track that to see if it is making a difference.

Senator Stegner said it was disturbing to learn of the low percentage of family coverage. He said one could assume that some of the reason for this is due to the fact that some spouses are employed elsewhere and have coverage there. **Dr. Dobbs** said he was not aware of those numbers and that it could be privileged information. **Dr. Rogers** said that Minidoka does not track that either. He said it would be nice to attract the younger families because they have less utilization in most cases. **Senator Stegner** said that information would be helpful and asked for **Dr. Friend's** organization to work to gather that data. **Dr. Dobbs** added that there is information in the article from Pennsylvania that could be helpful in Idaho.

In response to a question from **Representative Collins**, **Dr. Dobbs** clarified that for a spouse and two children, insurance coverage would cost \$700, in Minidoka that would cost \$900.

Representative Collins asked how much the school district contribution is per employee for health insurance. **Dr. Dobbs** said Twin Falls contributes \$410 for the traditional plan and that employees do not have any additional premium costs. **Dr. Rogers** said that Minidoka also covers all premium costs for employees. **Senator Cameron** asked how much each district is paying per employee. Midvale pays \$320 per month for the \$1,500 deductible policy and employees have no choice of plans and the cost for families is about \$870. Minidoka pays about \$5,800 per year with a \$1,500 deductible plan. Twin Falls pays \$410 but has a lower deductible. Boise pays \$390 per employee for a \$200 deductible. Their family coverage would be \$610 for a spouse and two children with a \$200 per person deductible.

Dr. Rogers commented that Minidoka has had a very difficult time getting information from Blue Cross regarding utilization making it hard for others to bid the plan. He said he would like to see better information sharing.

Senator Lodge asked whether any districts have exercise rooms for staff only. **Dr. Rogers** said that Butte County did have this but Minidoka does not. He said they have subsidized funding for local health club memberships and use that as incentive for their wellness programs. He thinks this is happening in other districts. **Mr. Telleria** said that the Boise district does not offer this. Twin Falls offers club memberships at reduced rates and have running/walking groups but there are no set aside gyms. **Senator Lodge** commented that she thinks this is very important and should be available in each school.

Representative Rusche stated that the emphasis on health promotion and wellness makes a lot of sense for a low turnover job population that exists in school districts and that he thinks those types of programs should be standard policy.

Representative Rusche asked how many families would be eligible for Medicaid and/or SCHIP.

Mr. Warren said there would be very few in the Midvale district. **Representative Rusche** said that according to the minimum salary for teachers, he would think that many of these families would be eligible for SCHIP and perhaps that could be looked at more closely.

In response to a question from **Senator Werk**, **Dr. Rogers** said that the challenge for school districts has been the fact that taxpayers do not want additional levies for salaries, benefits and operations. Taxpayers want school districts to live within their means. He said there are more and more districts having to go back to the taxpayers for additional moneys in order to be able to attract and retain teachers. He thinks there will be more of this type of cost shifting and alternative revenue streams. **Mr. Telleria** said that this is not really a train wreck but more of a crisis of management. There is so much data it is hard for any one group, a school district or plan managers, to segregate what is germane to a particular district. He said at some point it becomes a point of triage and a decision has to be made as to what can be given up with the least impact. He thinks that educating employees so they can be smart consumers of the health plans would be a good start.

Mr. Brian Duncan, Idaho School Boards Association, passed out a classified salary schedule of Idaho School Districts. He commented that the association will get more information on the health insurance issue to present at the next meeting. **Senator Cameron** said it would be helpful to receive a listing of medical benefits offered by each school district and whether dependents are included in their plans. **Dr. Cliff Green, Idaho School Boards Association** said they would be happy to put out a survey and bring back those results at the next meeting.

Dr. Jim Shackelford, Idaho Education Association, was introduced to discuss the health insurance issue from a teacher's perspective. His complete PowerPoint presentation is available from the Legislative Services Office.

He explained that Idaho teachers and all school employees place a value on their health insurance benefits that rivals the importance of salaries. This has changed dramatically during the past 30 years due to the fact that medical care costs have sky-rocketed and that Idaho's public school work force is growing older.

He went on to state that in the 1970's many school districts provided full family coverage with excellent benefits. Today, however, few provide all or a portion of the cost of family coverage and increasingly more teachers are paying a portion of their own health care coverage, in addition to the cost of full family coverage.

Dr. Shackelford said that as teachers and school districts talk about compensation, maintaining health insurance coverage levels is a high priority. Increased rates complicate other financial discussions, such as salaries. During the past 15 years the salaries for Idaho's public school teachers have increased but the average Idaho teacher has seen little improvement in her/his standard of living due to inflation and the impact of increases in health insurance costs. Since 1992-93 teacher salaries have increased 64% while the cost of health insurance has increased

308%. A \$100 insurance policy in 1992 would cost \$408 today.

Based on a survey conducted by the IEA this month, the average monthly cost of a single premium is \$391 and the average cost of a family premium is \$967.

Dr. Shackelford stated that districts have made changes to their health insurance benefits as follows:

- Increased deductibles
- Increased out-of-pocket
- Increased co-pays
- Changes in prescription drug benefits

According to **Dr. Shackelford**, classified employees report their health insurance benefit is one of the most important elements of their compensation package. He said that retirees and those considering retirement report health insurance is critical to their retirement planning.

As for the future, **Dr. Shackelford** stated that local schools districts are only able to do so much to control costs (e.g., reduce benefits, shift premium costs to employees, encourage wellness). He said that school districts, teachers and other employees are at the mercy of national influences (i.e., medical R&D, impact of uninsured, aging population).

In response to a question from **Representative Rusche** regarding total household health care cost besides premium costs, **Dr. Shackelford** said he did not have that data. He noted that every time a school district makes changes someone, usually the employee, pays more or they choose not to get the medical care they need.

Mr. Decker Sanders, Interim Chief Post-Secondary Academic Officer, State Board of Education, gave an update of student health insurance plans offered by Idaho's colleges and universities. He distributed a packet of information that includes prices and coverages offered at Boise State University, University of Idaho, Idaho State University, Lewis-Clark State College and the Eastern Idaho Technical Institute. This information is available from the Legislative Services Office.

In response to a question from **Senator Stegner**, it was clarified that if a student only enrolls in summer school, they pay a lesser amount for health insurance.

Representative Collins clarified that for a University of Idaho student enrolled in the fall semester health insurance premiums would cost \$649 and if a spouse is added that cost is an additional \$1,542 and one child is \$935 more. **Mr. Sanders** said that was correct. He noted that as a state employee he added up state health insurance costs and that amount is only about \$300 more per year.

In response to a question from **Representative Block**, **Mr. Sanders** said he would get

information regarding the number of students taking advantage of spousal and family coverage.

Representative Henbest asked how congenital illness can be capped at \$50,000, especially for a newborn. **Mr. Sanders** said there was a parenthetical reference that the cap does not apply to infants but said he is not sure how this is handled for adults. He said that question needs to be asked of the individual carriers.

Senator Cameron commented that this issue is larger than can be solved in one or two meetings. He and **Cochairman Representative Collins** suggested that a small subcommittee be appointed to work with superintendents, teachers, and others and try to bring something forth for the next session. Members of that subcommittee will be Senator Cameron, Senator Goedde, Senator Werk, Representative Collins, Representative Marriott and Representative Rusche.

The next meeting was scheduled for October 31 and this meeting was adjourned at 2:30 p.m.